

- **Belmont Warrant Committee Meeting Minutes**

- **FINAL**

- **October 6, 2010, 7:30 p.m.**

- **Chenery Community Room**

- Present: Chair Allison; Members Brusch, Callanan, Dash, Epstein, Grob, Libenson, Lynch, Manjikian, McHugh, Millane, Sarno, Smith; BOS Chair Jones; School Committee Chair Rittenburg

- Town Administrator Younger and Town Accountant Hagg

- Members Absent: Becker

- The meeting was called to order at 7:30 pm by Chair Allison.

- Chair Allison began by turning to the first item on the agenda. She requested the CPA analysis reports in electronic form. She noted that Members Dash and Sarno will work with her to pull all the pieces together into a single, coherent document.

- ***Discussion of CPA Analysis***

- ***Module I: The Mechanics of Funding***

- Member Smith said that the CPA creates funding through the community surcharge and the State matches the surcharge from income generated from deed fees. A designated Community Preservation Committee then meets and studies the needs of the town, and makes recommendations to Town Meeting (TM) on how to use the funding. There are specified permissible uses, pertaining to the rehabilitation of open space, community housing, historic resources, and historic preservation. Once the town has accepted the CPA, TM can change the surcharge percent, but a community must stick with the CPA for five years once opting for it.

- Member Brusch asked who appoints the Community Preservation Committee. Member Dash replied that a by-law is made by Town Meeting to create the committee. In answer to a question about the surcharge, Member Dash noted that towns with a proposed 3% or 0.5% percent surcharge on their ballots were not passing the CPA (too high and too low respectively) but that 1.5% seemed the appropriate amount.

- Member Manjikian said that he used a \$12.16 tax rate and created a spreadsheet to determine what the cost would be per family. For a home worth \$250K, it would cost \$27 per year; for the average single family home in Belmont, it would cost about \$120 per year; for a \$2M home, it would cost \$346 per year. (He noted that he would be updating those numbers based on information from the assessors.)

- ***Module II: How Much Revenue Will Be Raised?***

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- Member Libenson said it is almost impossible to estimate how much money would be raised because it is so difficult to determine who will take the exemptions (low income, low/moderate income for seniors). If no one took an exemption, CPA funding could raise about \$775-815K. Member Epstein spoke to the exemptions, which could be around \$12K. Member Libenson explained that the process for the exemption was extremely onerous, and that few people seem to bother with the process. Chair Allison suggested that the HUD website would have the official low-income and senior numbers, and that this should be the basis for any analysis.

- [Module III was considered later; see below.]

- ***Module IV: State Match History***

- Member Millane said that the state match had been 100% through FY08. But two factors have driven the match number down: the amount of money the state was raising from fees declined, and the match demand increased. For this year (and the forecast is unofficial), the match looks to be 30%. The CPA has filed a bill that would guarantee a 75% match with the funding coming from real estate transactions fees, but that bill has not passed. Member Epstein offered that the actual state match number for Tier I communities such as Belmont would be 27%.

- ***Module V: Cost Estimate for Potential Projects and the Impact on the Operating Budget***

- Member Epstein said he looked at a wide range of broad projects and found that costs would be incurred for Belmont, including maintenance (upkeep) and operating expenses. He used the example of the barn on the McLean property. If CPA funds were used to restore the barn, the following expenses would be incurred: utilities, cleaning, insurance, repairs, staffing, lawn care. A real number is tough to quantify, he said, but that number would be greater than zero. Member Dash informed the WC that 5% of CPA funds can pay for administrative staff (to process exemptions, etc.). He also noted that upkeep is hard to define, as the preservation/maintenance line is blurry.

- Member Brusch asked: if you build (or repair) a building with CPA funds, can the town later sell or demolish it? Member Dash said he was not sure.

- ***Module III: Additional Capacity for Future Overrides***

- Chair Allison noted that, by adding 1.5% to 2.5%, each million dollars of override requires a \$0.09 tax rate increase. Taxpayers are being asked to pay 5.3% with a \$1M override and each additional million dollar override adds a 1.5% increase.

- ***Module VI: Comparable Communities Experience***

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- Member Lynch looked to the "Municipal Yardstick" study commissioned by the BOS in 2005 and identified six communities that had passed the CPA: Needham, Newton, Longmeadow, Sharon, Wellesley, and Wayland. He and Pat Bruschi were able to speak with all Town Manager equivalents, except Newton. Many communities supplied information in advance. For each community, Lynch determined the year the CPA was enacted, the property tax surcharge rate and how the Community Preservation Committee was established.

- Member Lynch asked each Town Manager equivalent how the CPA money has been spent to date, whether any projects have been disallowed, whether the projects are top town priorities and any other relevant information about the CPA. The five communities enacted the CPA between 2001 and 2006. All of those communities have a 1%, 1.5% or 2% premium tax surcharge rate. The Community Preservation Committee in each town was developed by a town by-law and each committee has 5, 7, or 9 members, with representatives from among Historic Commissions, Conservation Commissions, Natural Resource Commissions, Housing Authorities, Planning Boards and Parks and Recreation Commissions. Each town also has at-large seats appointed by the Town Moderator and/or the Board of Selectmen.

- Regarding the use of the funds, Needham and Longmeadow have focused on Historical Preservation of town buildings. Wellesley has not spent a significant amount of money and is targeting two possible parcels of land to purchase for Open Space and Recreation. Wayland has only expended or encumbered half of the money. To date, Wayland has spent about 60-65% of the money on Community Housing. Although Sharon has spent money on Historic Preservation, the town has spent more on Open Space. No town could recall a project being disallowed.

- In response to the question whether CPA projects are top priorities, several managers pointed out that there has been a philosophical debate regarding whether the CPA projects fall into the category of "wants versus needs." One manager commented that nothing frivolous has been done under the CPA, while others said they try to align capital projects with all revenue sources, including CPA funds.

- Some general comments on the CPA include the following. Many of the five towns would like to see an amendment to the CPA to allow for renovation of existing recreational facilities. One town noted that the CPA creates an additional layer in the budget process because the CPC is the only entity that can bring a project to TM. Another town said that they considered suspending the CPA as a tax relief measure but there are significant requirements for a suspension. Ultimately, the town decided not to move forward with the suspension.

Creating a Draft Report

- Chair Allison requested that the electronic reports for each module be sent to her, and informed the WC that a draft report will be put together and it will contain a one page summary. The draft report will circulate and the WC will have the opportunity to

offer comments on the report. She noted that the WC will not be voting on this issue, but will provide analysis via this document.

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- ***Distribution of Additional WC Resource Materials***

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- Chair Allison noted that there are two documents to be added to the resource material folder: the Town's Organization chart, and a statement of the town's reserve fund policy. Members Grob and Sarno asked if the free-floating circles on the org chart signified that there was no reporting relationship to either Town Administrator or BOS for those entities. Town Administrator Younger responded that yes, it did signify this, and further noted that the appointing authority for departments headed by elected officials was not under the control of the Town Administrator.

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- ***Subcommittee Planning***

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- Chair Allison noted that time would be allocated for subcommittees to meet between now and Thanksgiving, and in December. A schedule will be distributed at the October 13 meeting.

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- ***Discussion of Warrant for November 8 Town Meeting (if available)***

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- Chair Allison noted that the Warrant closes on October 12. She said the WC will discuss next week the articles with a financial relevance. She said that she expected the WC would weigh in on the following Warrants: a water department rate change, a town contribution for matching funds for a consolidation study of commuter rail stations, the sale of land on a street, a tax abatement proposal for senior citizen volunteers, and a barn by-law trust and ownership warrant.

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- ***Approval of Minutes for 9/29/2010***

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- The minutes of September 29, 2010 were approved with two abstentions.

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- Chair Bruschi informed WC members that the ATFC's (Association of Town Finance Committees) annual meeting will be held on Saturday, October 23 in Franklin, MA from 9:00 am to 2:00 pm. The Town covers the cost of the meeting, and all new members are encouraged to attend. Town Accountant Hagg will handle registration.

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- BOS Chair Jones moved to adjourn at 9:17 pm.

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- Submitted by Lisa Gibalerio
- WC Recording Secretary

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